



European
Semiconductor
Industry
Association

Brussels, 26 August 2020

FOR IMMEDIATE RELEASE

The global semiconductor industry presents its road to recovery

The European Semiconductor Industry Association (ESIA) welcomes today's agreement reached at the 24th meeting of the World Semiconductor Council (WSC). In their Joint Statement, top executives from the world's leading semiconductor companies agreed on policy recommendations that foster innovation and strengthen competitiveness through international cooperation. ESIA represents the European semiconductor industry in the WSC.

In the aftermath of the pandemic, the WSC is more committed than ever to ensure a global level playing field that is transparent, non-discriminatory, non-trade distorting and consistent with World Trade Organization (WTO) rules. In 2017, the Governments and Authorities Meeting on Semiconductors (GAMS) from the participating regions agreed on the *GAMS Regional Support Guidelines and Best Practices* to ensure that competitiveness of companies and their products, not governmental intervention, are the principal drivers of innovation. The WSC calls upon GAMS to assess & analyse support programmes against the *Guidelines and Best Practices*. Regular information sharing among governments & authorities ought to pave the way toward tangibly increased transparency.

Semiconductors are the fundamental building blocks for modern day information technologies such as 5G connectivity and infrastructure, artificial intelligence (AI), cloud computing, connected vehicles or big data. And as cybercrime knows no borders, the access to semiconductors with cryptographic solutions must be global. The *WSC Encryption Principles* emphasise market access, non-discrimination, transparency, adoption of international standards, as well as open procedures & rules. The WSC calls on governments to continue the dialogue on encryption regulatory practices, assessing their conformity with the *WSC Encryption Principles*.

"2020 has confronted the semiconductor industry with unprecedented challenges to which we had to react quickly, thoroughly and in a well-thought-out manner", said Jean-Marc Chéry, President of ESIA, who chaired the European delegation. *"The pandemic has hit us all, but it has also demonstrated that international cooperation and dialogue are the way forward."*

The WSC remains committed to a tariff-free international trade for semiconductors and other high-tech products. Therefore, the WSC supports the continuous update of the WTO Information Technology Agreement (ITA) product scope to include new and evolving semiconductor technologies as well as its geographical expansion. The more countries participate in the

ITA and its 2015 expansion, the freer technology can innovate. In addition, the WSC addresses customs classification for semiconductors, including for new products and technologies. As semiconductors are widely traded and rely on global supply chains, their customs classification should be unambiguous and globally harmonised. In case of diverging classifications in different jurisdictions, clarifications at international level are required.

The WSC is an international forum that brings together industry leaders to address issues of global concern to the semiconductor industry. It is comprised of the semiconductor industry associations of China, Chinese Taipei, Europe, Japan, Korea, and the United States.

Read all about the policy recommendations in the [2020 WSC Joint Statement](#).

For more information:

[Hendrik Abma](#)

Director General

European Semiconductor Industry Association (ESIA)

Tel: +32 2 290 36 60

About ESIA: *The European Semiconductor Industry Association (ESIA) is the voice of the semiconductor industry in Europe. Its mission is to represent and promote the common interests of the Europe-based semiconductor industry towards the European institutions and stakeholders in order to ensure a sustainable business environment and foster its global competitiveness. As a provider of key enabling technologies, the industry creates innovative solutions for industrial development, contributing to economic growth and responding to major societal challenges. Being ranked as the most R&D-intensive sector by the European Commission, the European semiconductor ecosystem supports approx. 200.000 jobs directly and up to 1.000.000 induced jobs in systems, applications and services in Europe. Overall, micro- and nano-electronics enable the generation of at least 10% of GDP in Europe and the world.*